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In This Issue

The Members' Forum

Anticipation of Organization Needs

Intelligent and Sympathetic Supervision as a Factor in Increasing Production

What's on Management's Mind?

The Management Index

Abstracts and Descriptive Notes of Company Activities Including

Office Management

Plant Management

Sales Management

Survey of Books for Executives

The Industrial Worker, NORMAN WARE

Co-operative Democracy, JAMES P. WARBASSE

Planned Control in Manufacturing, WILLIAM O. LICHTNER

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AMERICAN MANAGEMENT REVIEW

May, 1924

THE MEMBERS' FORUM

Anticipation of Organization Needs

Personnel managers, like other executives, need to pause now and then to look about. A corporation president did this recently and developed the fact that he was not building up young executives who ultimately could fill the higher positions. In talking this over with other employers, he found a similar situation throughout his whole industry. The result was an organized movement in the whole industry for active co-operation with one of the engineering colleges.

The co-operative plan of engineering education, based on alternate periods during the college course, first in industry and then in the classroom, seemed to offer the most effective solution of the problem. The concrete plan is developing between this employer's association and New York University, and can be announced later. Students in the Industrial Engineering course will alternate on periods of four months each, beginning at the end of their second year. Their work in the plants will follow a definite schedule covering the whole field of practical work involved. This is a modification of the well-known Cincinnati Plan which has been in successful operation for eighteen years. It has been applied to more than fifty industries in the fields of mechanical, electrical, civil, metallurgical and chemical engineering, and, has recently been extended to the students in the School of Commerce, who get their practice in the offices of banks and various business institutions in and around Cincinnati. The results have given the strongest satisfaction to industrial leaders.

New York University has been following this method for several years in connection with the Industrial Engineering Course. This course is a broad one, fundamental to any industry. The students can choose

their practice periods from a wide variety of industries and still go along together in the class-room, each man thinking of his own particular line when principles are being discussed.

While these co-operative students start at the bottom, their progress is usually rapid. Observation guides are supplied them covering their practical work and observational and experience reports are required of the students every two weeks. These reports evolve into very creditable documents. The fact that they are submitted to the plant and management, as well as to the college authorities, acts as a spur to the students and the management can watch the student's growth closely. The school supplies each man with books which will help him on the work he is doing, and the co-ordinator keeps in touch with both the management and the student to ensure fullest co-operation. Some of the students are promoted to real professional work before the end of their last period. Recently, one was made assistant to the chief engineer. As a source of supply for the executive and engineering personnel, this system is proving more satisfactory to employers than any yet developed. Furthermore, a higher percentage of them "stick" and the floating about after graduation, noticeable in young engineering graduates, is largely eliminated.

CHARLES W. LYTLE, *Director*
Industrial Co-operation, New York University

Intelligent and Sympathetic Supervision as a Factor in Increased Production

So much has been written in the last fifteen years on intelligent supervision, the development of the executive, and foreman training that the successful manufacturer today realizes that intelligent supervision is as necessary to high production as is efficient machinery.

Unfortunately, however, the employer quite frequently assumes an intelligence in his supervisory force that although highly flattering is not entirely justified.

Sympathy, however, as an essential quality of foremanship, is frequently regarded, if not actually as undesirable, at least as impracticable.

When management does demand sympathy as one of the definite qualifications of a foreman, it is usually due to its desire to "do the right thing by its employee" rather than because it is convinced as to its value as a factor in production. The foreman who has the intelligence and sympathetic understanding to recognize and make use of the very human desire in his employees to inject their own personalities into their jobs, is rewarded by having the support of alert and interested workers.

It is only common sense to recognize that the employee is an expert on

the niceties of his job and that the man who thinks in terms of his job eight hours a day, probably knows more about that one job than does the foreman who must carry the details of hundreds of operations. Why not consult with the expert, who is literally aching to express himself.

The intelligent foreman who systematically endeavors to look at the details of the job from the point of view of the workman, has brought to him many a constructive suggestion because the foreman has established the reputation for open-minded receptiveness.

The Effect of "Rubber Stamp" Supervision

The foreman, on the other hand, who insists that the machines in his group are identical, that an operator should get the same production out of each machine, at best, lacks imagination. (No one will admit that his neighbor's car of the same model, year and make, drives exactly like his own.) Usually he will confide to another foreman that he knows machines do vary; but the age old cry goes up "How could I ever hope to keep discipline if I admitted so to them?" Aside from the ethics of the case, the intelligence of the foreman who thinks he can put anything over on his employees by bluff, or gain by mere domination, is distinctly open to comment. Nor is it reasonable to expect that employees will contribute their interest and suggestions unless the foreman displays that intelligence, sympathy and appreciation that management fondly hopes he possesses.

Some years ago this fact was brought undesignedly but very forcibly to the writer's attention by an employee in a branch industry working on an operation duplicated in several other localities in the country. It had been the custom to determine, after careful study by production engineers, certain standard methods that were then sent out as adopted practices with instructions from headquarters to put into force at once. The indignation of the employee in question was intense and her criticism ruthless in that "Mere highbrows," as she put it, who had no personal experience, dictated the practice from theory and subsequently occasionally had to change because it was not workable. "Why don't they ask us?" "We could show them lots of suggestions but every time you suggest anything in this place, about ten people try to show you why it won't work."

As a result of this very significant criticism, effort was made by the management to recognize valuable pride in the job. No new instruction was put into effect, until the superintendent, or foreman had talked in round table groups with the employees on the proposed changes, elicited their ideas, recognized the difficulties of the new method but showed the preponderance of improvement of the good features over the limitations of the old, and had inspired the group to want to try it.

Mob psychology is such that the crowd that wants to do a thing needs no outside stimulus.

The time expended in selling the new plan was justified in that the group having agreed to give it a try and knowing in advance its difficulties, tended to minimize them in their efforts to try to make the new plan successful.

Recognition of the individual pride in work, coupled with generosity in appreciation and commendation for services rendered, did much to stimulate output as did written favorable comments and individual and departmental progress charts conspicuously posted.

With stimulated interest, production, both as to quality and economy, continued to rise and largely because the individual was permitted the "fun" that comes from seeing the results of his own accomplishments.

Emphasis on the Cause of Failure

Where the individual is falling down either on quantity or quality, if the cause of failure is analyzed by the foreman and emphasis laid not on the destructive negative aspect of low output and high costs of spoilage, but rather on the *cause* of the failure with remedial constructive measures, the confidence of the operator is increased and the operator wastes no time in worry, hurt pride, fear or anxiety but directs all efforts toward the better operation itself.

Which of us has not felt a greater urge to produce unstintingly when an intelligent superior has refrained from delivering what we know to be a well deserved dressing down and instead has given a constructive remedial suggestion. Supervision that utilizes constructive methods is not only pleasant but in this practical age more efficient and productive of unrestrained and appreciative effort.

The time will doubtless come when the foreman will be called upon to justify waste in human happiness and potential efficiency just as he has for years been expected to minimize waste in product and idle machinery. When he reaches that point, less effort will be expended in distinctive criticism for low output and quality and more energy will be consistently expended in arousing interest and in stimulating the desire to succeed.

K. HUEY, *Employment Manager,*
Women's Department, Eastman Kodak Company

What's on Management's Mind?

Now that the American worker's mind has been explored—and in some cases staked out—by investigators in laboratory and overalls, one might be led to expect a similar exploration of the mind of management, in so far as it affects employee relations. Even as in the exploration of the worker's mind we have received, along with much entertainment, some facts worthy of serious reflection, so in delving into this other hypothetical "average" mind of

management we should find not less entertainment and perhaps more significant facts.

Our thinking about the human side of industry is frequently ineffective because we assume a gulf between the interests of management and employees; not necessarily the gulf of antagonism, but most frequently that of dissimilarity. We think, for instance, of management's interest in profits as entirely differing from, though not necessarily opposed to, the employee's interest in wages. We leave the two groups of interests on different planes and continue to wonder why the divergence continues. The study of the employee's mind alone will not solve, and often confuses, the problem. The mind of management is also an integral part of human relationships in industry.

While we wait for some philosopher able to mold the various unrelated concepts of industrial life into a single unit—to guide them into the same plane—there is a vast wealth of little explored territory which the employee and management may penetrate together, and in such common enterprises find, instead of islands already touched, new continents and perhaps a new civilization.

Co-operation Through Employee Representation

Employee representation, in its various forms, is the method most frequently used by management and employee in this quest. The idea has met with opposition, however, not only from labor organizations but from many of the more conservative employers. The former have opposed it because it is not, they state, real industrial democracy but a subterfuge; the latter, because they fear the consequences of employee control. As applied to the movement in general both objections apparently fail to recognize the underlying concept of the movement in the minds of the participants. The latter see and feel in it not the lulling satisfaction of a thing achieved but the challenge to future achievements through co-operation.

Where will this "Industrial democracy lead"? asks the conservative and skeptical employer. It will lead to whatever is found, by joint study of facts and experiments, to be an adequate basis for the material well-being and spiritual development of the individual in a political democracy and a machine-driven industry. More immediately, the concern of employee representation is with better wage payment methods, training, discipline, including power and methods of discharge, elimination of waste, not only in operating routine but in financial manipulations and other false economic theories of management which increase the ultimate cost of the product, distribution of stock and administrative control. Each of these problems is of vital concern to present-day management and employee. Each is a challenge to co-operative achievement. An investigation of the mind of progressive and constructive Management will reveal a willingness to accept the challenge.

J. H. VERTREES.

THE MANAGEMENT INDEX

Abstracts and News Items

651. OFFICE MANAGEMENT

651.3 Organization: *Job Analysis, Employment, Pay*

The Accountant and Office Manager

A capable head of an accounting department is the most logical and efficient man for office manager. There are two distinctive types of executives: the planning or organizing type and the directing or managing type. After a suitable man is selected to fill the position of office manager and head of the accounting department, it will be necessary for him to make a special study of the requirements of his particular business, and the best system to be used. By W. B. Craft. *Personal Efficiency*, April, 1924, p. 246-4.

Education the Basis of Office Management

The employment manager should select the various persons who are to enter our plants and offices with a special view to the possibilities of being trained. People should not be selected who just meet the requirements of the position that are open to them, but should be selected with the thought of developing their possibilities. The final job of an office manager is not to organize his office according to his individual standards, but to give co-operation and assistance to the other departments of the business. By W. W. Kincaid. Proceedings of the National Association of Office Managers, 1923 Conference.

Standardization of Office Positions and the Payment of Work Performed on a Production Basis

The Holeproof Hosiery Company have standardized certain office positions and pay for the work so standardized on a pro-

duction basis. The employees much prefer the present method of pay. Supervisory costs have not increased. Each employee keeps her own records and knows about what her earnings will be. The records are checked by the Department Supervisor. *Society of Industrial Engineers Bulletin*, March, 1924.

How We Stopped "Buck-Passing" in Our Office

The Addressograph Company changed from a functional to the unit plan by first of all assigning definite groups of orders to definite groups of clerks. Each group of clerks was made absolutely responsible for every operation on each order that it handled. The advantages from this change are thus summed up: 1. A definite fixing of responsibility; 2. A means of measuring the efficiency of employees; 3. Increased production; 4. A broadening and development of employees; 5. Improved morale; 6. New interest and initiative evinced by individual employees; 7. A personal relationship with customers resulting in enhanced good-will. In a word, the unit system works like a charm. By C. E. Thorne. *System*, April, 1924, p. 467: 2.

Magnetize Your Business to Attract Profit-Making Executives

Management officials today realize that the future of their companies depends upon men rather than upon policies and methods. Poor men can distort the application of sound policies. Profit-making men will change weak policies into strong ones and will bring to a business prestige and profit.

The first duty of officials is to attract profit-making executives and make the company's name a synonym for desirable

executive employment. By a New York Sales Manager. *Printers' Ink*, April 10, 1924, p. 3: 4.

651.4 Administration: *Regulations, Training, Supplies.*

Office Employment and Entrances

A certain company places the coat rooms near the door to the side entrances but any employee is quite free to leave or enter by the main front door. *Management and Administration*, April, 1924, p. 430.

Constructive Enforcement of Discipline

Sometimes a man is a splendid disciplinarian but does not recognize it. He manages his employees through his fidelity for square dealing. As a result he so thoroughly saturates his entire personnel with

this spirit of fair dealing that all outward manifestations of rules and regulations are lacking.

If it were possible to convert all our office work to a production basis of payment it would eliminate largely our problem of control. When an employee sees that increased pay is the reward for increased effort, all outside annoyances are dismissed. Nothing will prompt improvement in service like increased pay. By A. A. Keiser. Proceedings of the National Association of Office Managers, 1923 Conference.

651.41 Classification of Employees: *Selection, Tests, Promotion*

Selecting Cashiers and Predicting Length of Service

A follow-up study of a test used in the selection of cashiers. Although the test distinguishes between competent and incompetent applicants, skill in handling the job does not increase proportionately with increases in score above the minimum passing score. The test shows that the applicants who make a medium score become more stable employees than those with a high or low score. Points out the usefulness of follow-up procedure not only in measuring the value of a test in selecting competent employees, but also reveals possibilities for extending the usefulness of the test in selecting stable employees. By Morris S. Viteles *Journal of Personnel Research*, April, 1924, p. 467: 6½.

New Tests for Clerical Workers

Tests, recently made by the Research Section of the U. S. Civil Service Commission, indicate that for clerical work speed, accuracy and native adaptability are

the desideratum, and that these qualifications have but little relation to age, education and experience. By Sadie A. Maxwell. *Office Economist*, April, 1924.

Psychology Dons Overalls

An insight is given into the practical workings of economic psychology, stripped of its charlatan trappings. The popular esteem in which psychology is held and the great expectations most people have of it have led to the rise of a situation that is peculiar to psychology at present. At present anyone can call himself a psychologist and not come into conflict with the law. The natural result is that there are many persons gaining a livelihood as psychologists who are absolutely unqualified to do so.

The four phases of applied economic psychology are discussed in detail: these are employment psychology, psychology of management, psychology of work and psychology of advertising and selling. By Donald A. Laird. *Industrial Management*, April, 1924, p. 204: 8.

651.447 Training and Education: *Schools, Libraries, Employee Publications.*

Professional Direction in Industry

Presents the problem of professional education in management. This problem requires solution in regard to establishing the recorded knowledge which gives its tools to any profession; in organizing training for men who are, or who are to be, in industrial direction; in establishing understanding of professional management in the community. By Hollis Godrey. *Industry*, April 5, 1924, p. 1: 1½.

How Facts Reduce the Loss in Business

The best way to take the hazard out of business is to get the facts. The figures published by Bradstreet's indicate plainly that most of the failures in the United States happen for want of facts. A business man to-day need no longer be helpless. Among some of the facilities available to help him get the information that will stabilize his business and guarantee his income are the United States Depart-

ment of Commerce, the Bureau of the Census, the trade associations, various business services and the professional advice of the Business Engineer. By Wm. Chapin Huntington. *Society of Industrial Engineers' Bulletin*, March, 1924.

Getting Value Out of a Business Library

The books a business library should contain are discussed in this article. A bank library to be of the widest possible service should contain information on banking, economics, corporations, office practice and management, financial advertising and statistics. By Eleanor Gilbert. *Office Economist*, April, 1924.

Informing the Employee

The employees' paper or house organ is treated from every angle in this bulletin. Its policies and purposes, organization, name and cost are among the points taken up. *Personnel Management*, Assignment 23, 1924.

658. PLANT MANAGEMENT

658.2 Plant: *Location, Lighting, Heating, Ventilation.*

Putting the Sun on the Payroll

Many illustrations showing types of construction, with light and ventilation as primary factors in the designs, are given. One is of the Victor Talking Machine plant at Camden, N. J., which is an excellent example of handsome architecture combined with modern ideas of good natural lighting. In another, as side windows could not possibly supply adequate daylight, the saw tooth roof is the solution. In some plants it is literally a case of working in broad daylight.

In time doubtless much of the machinery will be finished in light grey or sand color instead of the present custom of painting it black, with a corresponding improvement in the brightness and cheerfulness of our factories. By Walter F. Ballinger. *Industry Illustrated*, April, 1924, p. 20: 5.

Keeping Shops Free of Drafts

According to the fire laws of most states, it is not allowable to have doors between rooms or departments in the factory. An exception to this rule, of course, is the fire door, but this is not closed during working hours. In the early spring and late fall, when it gets unbearably warm in the shop, on account of the necessity for starting the heating plant workers insist upon opening windows.

It is much better for the windows to be open, too, since fresh air is healthier than the close atmosphere. However, the danger comes in exposing the workers to drafts. Most of these drafts occur between rooms, and if it were possible to close the door between them the drafts would, in a large measure, be prevented.

The Utz & Dunn Company gets around

the fire law in regard to doors by hanging heavy curtains, weighted at the bottom, in the doorways. It is easy for employees to pass through by merely brushing them aside, and at the same time they are very effective in preventing the little drafts

which often are the causes for colds and indirectly increased absenteeism. So well have they served their purpose that this company keeps these curtains hanging throughout the whole year. By J. R. Rogers. *Factory*, April, 1924, p. 596.

658.3 Industrial Economics: *Labor and Capital, Wage Theory, Hours, Discipline.*

Farms for Factories

In Germany the heads of some great industrial plants have bought farms as a supplement to the real industrial activities of these plants. The conditions surrounding the food problem have compelled the creation of these industrial farms. The experiments have been tried repeatedly and systematically in the last decade, and have shown that here is a way to equalize employment between industrial and agricultural undertakings. *Factory*, April, 1924, p. 487: 1.

Factors Affecting Wages and Other Shares in the Product of Industry

There are three primary requirements in any distribution of the product of industry. The first is the welfare of labor in the way food, clothing, shelter and education are met. The second is that capital be maintained, increased and improved as population needs and the march of invention warrant. The third is that the division of the product of industry be performed in such a way that the productivity of the economic system is not impaired.

The shares of the four factors of production depend first on the total product to be divided and, second, on the process of division. Interest is explained by the traditional Recardian theory, which is a return for abstinence and commensurate with the productivity of capital goods. There are many non-competing groups among laborers and the forces of competition play only within a circumscribed region, thus determining many rates. Five fundamental groups are listed. Profits are

a residual share. By F. C. Mills. *Management and Administration*, April, 1924, p. 423: 4.

48 Hours Shalt Thou Labor and Do All Thy Work

It seemed probable that the bill limiting the hours of work for women in factories and mercantile establishments to 48 hours a week would pass the New York Legislature this year. But it has failed again. The legislative popularity of such social measures as this 48-hour bill in New York, and one in Rhode Island and another in Maryland, must be based primarily upon the material prosperity which makes it possible to put human welfare above property. It will be necessary for the majority of people to understand something of the material basis of human welfare. By M. B. B., *The Survey*, April 15, 1924, p. 80: 1.

To Settle Boston & Maine Labor Disputes Within the "Family"

The Boston & Maine Railroad has entered into an agreement with the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees for the purpose of handling grievances and disputes which may arise between themselves and without reference to any outside agency.

A board of adjustment has been created to be composed of an equal number from the railroad management and the labor organization to serve for a period of one year. It is mutually agreed that decisions rendered by this board shall be binding upon both parties and not subject to ap-

peal to any other tribunal, except that when it is found impossible to come to a satisfactory agreement this board itself may submit any matter to the United States Railroad Labor Board or to any other arbitrator mutually agreed upon. Matters are not taken up with the board of adjustment unless decisions given by the management are not found satisfactory to the labor organization, in which case they may be appealed to the board.

The whole plan is to facilitate settlement of disputes within the "family." It tends to make the efforts of agitators to foment discord more difficult and lessens the opportunities for disturbance. It is to be hoped that the plan will prove to be a success. *Factory*, April, 1924.

Worker Ownership

The Philadelphia Rapid Transit Company's cooperative plan, as it has worked out, is one of the most interesting and important industrial experiments in America. Their own representatives on the board of directors help run the company. The men are buying in the stock steadily. Worker-ownership under these conditions is as far as possible away from socialized industry. Editorial, *Morning Ledger*, Phila. *Leighton's Magazine*, April, 1924.

Unions Making Wage Surveys

Within a few years there has developed a technique of presentation of cases involving wages. The wage case, expertly organized, is coming to be regarded as the most effective and business-like way for procedure. *Industrial Relations*, April 5, 1924.

The Present Economic Revolution

Wherever there is a really serious economic situation a correct diagnosis will reveal the same general fact. There is some factor that is not forthcoming. Make two business men to grow where one grew before, and the number of jobs will be nearly doubled. Then it may turn out that manual labor will some time become the missing factor or the limiting factor. When that comes about, the manual la-

borers will control the economic situation. All this should bring the worker to realize that labor and capital are indispensable to each other. Address by Prof. T. N. Carver. *Law and Labor*, April, 1924, p. 111: 2.

Social Cost of Irregular Employment in Coal Mining

The bituminous coal mines of the United States work on an average only 70 per cent of a full-time year. This is mainly due to lack of correlation between production, transportation and consumption, including the opening of more mines than could possibly be used. Our whole public and private policy with reference to coal mining has been an encouragement of overdevelopment, and hence unstable operation. Before this condition is rectified, the regularization of coal mining must be made to appear as a definite saving and source of profit to those who conduct mines. By Horace B. Drury. *American Labor Legislation Review*, March, 1924, p. 81: 9.

Some Tendencies of Employers' Organizations in 1923

This survey discusses such problems as costs and output, hours of work, wages, efficiency of production, labor supply, unemployment, labor shortage, apprenticeship, profit-sharing and social insurance, organization, attitude towards government and trade unions and attitude towards the international labor organization.

Industry has been passing through an intermediate stage characterized by long-continued unemployment, comparative absence of industrial disputes and stationary or declining standards of working conditions. *International Labour Review*, February, 1924, p. 208: 13.

The Cost of Industrial Disputes

Gives a summary of the study of the cost of industrial disputes made by the National Association of Manufacturers. The best indicator of loss to employers is the amount of profits lost as a result of disputes. *Industrial Relations*, April 12, 1924.

658.41 Employment: Classification, Selection, Tests, Turnover.

Cost of Labor Turnover

A Chicago metal manufacturing concern employing 350 men estimates that it costs them \$59.75 to hire a man. Percentage figures from thirteen other Chicago firms are presented. The Miehle Company have reduced their labor turnover below 50 per cent, which is considered an excellent showing for a plant employing 1,500 men. Society of Industrial Engineers, March, 1924.

Methods of Promoting Industrial Employees

The statistics used in this study have been obtained, during the past two years, from one hundred and fifty business organizations. The inquiry has sought to discover actual industrial conditions as they relate to promotion methods which are advocated by leading writers on personnel problems. It is found that promotion from within and promotion for ability are almost universally practiced. There is also a tendency to relieve the foreman of the responsibility of making promotions, allowing him simply to make recommendations. Ability is still determined solely through personal observation in more than one-half of the cases. With only a few exceptions "scientific" methods of promotion have seemed to give satisfaction, according to the testimony of the firms that have used them. This means that the merits of systematic promotion methods are being recognized and gradually coming into more general use. By Paul F. Gemmill. *Industrial Management*, April, 1924, p. 235: 13.

Psychological Tests for Non-office Occupations

The most successful applications of psychological tests have been in the selection of office workers. Tests for factory occupations have made less progress. Among the good beginnings, however, are: the army construction of trade tests for a large number of occupations; the tentative conclusion that intelligence tests are use-

ful for selecting within some groups of factory workers, but are worthless with other groups; the development of a few successful aptitude tests for particular occupations.

Little in the way of positive progress has been reported in the test selection of sales people.

In several other occupations test research has made considerable progress. Good pioneer work has been reported in special aptitude tests for telegraphers, telephone operators, streetcar motormen, journalists, aviators, musicians and others; intelligence tests have been used with some measure of success among policemen, waitresses, professional engineering students and a number of other groups.

The necessity must be emphasized for reaching a judgment concerning tests which recognizes both their possibilities and their shortcomings. Psychology tests have done something; but they have done far from everything. By Arthur W. Kornhauser. *The University Journal of Business*, March, 1924, p. 173: 26.

What 86 Years Have Taught Us About Selecting Labor

Cheney Brothers' methods in their labor relationships are described in detail. The factors peculiar to their business—the manufacture of silk fabrics—are fundamental to all manufacturing. The labor cost per unit of any product, then, depends upon these influences:

1. The rate of wages paid;
2. The production per dollar of wages;
3. The quality of the goods produced;
4. How well fitted to the job the worker is, mentally and physically;
5. The worker's familiarity with the job;
6. How long he has been at the job;
7. The cost of labor turnover.

An effort has been made to get real light on the effect of these influences by making careful analysis of their records. The results are shown in charts. By Horace B. Cheney. *Factory*, April, 1924, p. 496: 5.

658.44 Employee Service: *Hygiene, Recreation, Lunch Rooms, Stores.*

Better Homes for Employees

Railway aid in employee housing has progressed much farther in Great Britain than it has in this country. Under the plan in effect on the Great Western Railway, any group of employees may form a public utility society for the purpose of building and owning houses. The houses must be laid out in garden villages and their erection supervised by competent architects. *Railway Age*, April 5, 1924.

Educating the Workmen in Safety

The safety organization in a plant aims to sell the individual workman the idea, while the actual educational work is done by the safety engineer and the men in charge. Bulletins which teach by pictures effectively carry the message, and workmen's mass meetings addressed by one of their own number are successful in a safety campaign. Prizes stimulate suggestions by the workers and departmental competition in safety produces good results. The plant magazine has done much to promote safety in industry. The benefits accruing from organized safety work among employees have meant the saving of millions of dollars and thousands of lives. By W. H. Cameron. *Vocational Education Magazine*, April, 1924, p. 689: 3.

Medical Service in an Engineering Works

Notes on the medical service at the Manchester Works of the Ford Motor Company (England), Limited. The industrial worker has no fear of a medical service interfering with the liberty of labor when he understands the functions of that service. These include:

1. The detection and cure of disease carriers who are a risk to their comrades;
2. The protection of the mutilated and infirm from their infirmity and to place them according to their physical ability;
3. The reduction to the minimum of the effects of working accidents by immediate first aid;
4. The prevention of the development of disease and generally to keep the man-

agement informed of all hygienic conditions adversely affecting the health of the workers.

No employee may leave the works through illness, or resume work after illness, without passing through the medical department. It is a rule of the Ford company that if an employee neglects to attend the department for any cut, abrasion or injury he is liable to dismissal. By W. M. Johnston. *Industrial Welfare*, March, 1924, p. 69: 2.

Health Service in Industry

The advantages of sickness accident prevention are manifold to the employee and to the employer. The emergency medical service, including periodic health examinations, will increase employees' interest in their health, and the unity of interest and mutual consideration between employer and employee is fostered by health service in industry. By Franklin Kiernan. *Brooklyn*, April 5, 1924, p. 53: 1.

Welfare Service at Minimum Cost

Practical experience has proved that industrial dental clinics are not luxuries involving large capital outlay to be contemplated only by philanthropically minded directors of large firms. On the other hand, it has shown that in firms where dental clinics have been started there is no thought of abandonment, and the reduction in lost time on account of illness testifies to the benefit which such a service confers on both the firms and their workers. By G. P. H., *Industrial Welfare*, March, 1924, p. 74: 2.

Employees of the Schenectady Works Are Accorded the Best Care

The General Electric Company has established two dispensaries in the Works where employees may receive competent medical attention without charge. One of the best X-ray outfits in the world has been installed in the main dispensary. *Schenectady Works News*, April 18, 1924, p. 3: 1.

658.447 Training and Education: Schools, Libraries, Employee Publications, Apprenticeship.

Finding the Work That Suits

"We are training our employees, particularly the women," says an executive in an Eastern factory, "by a vestibule school method of intensive industrial training. This school is handled as a function entirely separate from either the production or the employment departments.

"The girl, hired by the employment department, is assigned to the training department without designation as to the class of work which she will be assigned. When she reaches the training department they take steps to ascertain the class of work for which she is best fitted. By having a variety of work in the training department, we are able to transfer her from job to job until we are satisfied she has found the work that suits her best."

By B. E. Raymond. *Factory*, April, 1924.

The Apprenticeship System of the New York Central Railroad Company

The purpose of this system is to recruit from the ranks a large number of skilled workmen, and sufficient foremen, draftsmen, master mechanics and an occasional superintendent of motive power. Qualifications and requirements for the three grades of apprentices are given. An outline of the arrangement of courses for the various trades is also presented. By C. W. Cross. *Vocational Education Magazine*, April, 1924, p. 696: 3.

Vocational Training

The vocational evening classes in Kansas are having a prosperous year. Over 40 classes have been conducted in Kansas City, Kansas. Wichita is not far behind in numbers and interest in the work. Classes for flour millers, plumbers, building custodians, bricklayers and interior decorators have attracted the special attention of evening school administrators. Twelve classes have been conducted for those of the colored race. There have been large classes in auto mechanics, bricklaying, tailoring, interior decorating, cooking, millinery and dressmaking.

In Chanute, a community of ten thousand people, short unit courses are now running for carpenters and machinists. Fourteen large classes have been organized for the women of the community in cooking, dressmaking and millinery.

A class for apprentices in the sheet metal trade has been formed in the Nashville public schools. This is the first of its kind in Nashville and is looked upon with much interest both by the school authorities and the citizenship. Fourteen boys and young men have signed applications for instruction. An offer has been made by the board of education through Superintendent H. C. Weber to establish instruction in any branch of the building trade for which there are ten or more applicants. *Industrial Education Magazine*, April, 1924, p. xxxiii.

Printing Schools

Schools operated by printing employers' organizations are increasing rapidly in number. A Linotype School of Instruction has just been opened at Washington, D. C. In this school the local Typothetae is bearing half of the expense of worthy applicants and a capacity enrollment is expected.

The Pittsburgh Linotype School, under the direction of James L. Stewart, is backed by the Typothetae of that district.

In Philadelphia the School for Composition is now in its second year. This school was started by W. T. Innes, president of the local Typothetae.

In Baltimore and Atlantic City definite progress has been made in co-operation with the board of education through the vocational schools. In Atlantic City the course of instruction given in the Boys' Vocational School has been made compulsory for printing apprentices, the student receiving at the close of his school training definite credit for a part of his term of apprenticeship.

Schools operated by employers' associations in other sections include the South-

eastern School of Printing, Nashville, Tenn.; the Southwest School of Printing, Dallas, Texas; the Northwest School of Printing, Spokane, Wash., and the Master Printers' Association Linotype School, Los Angeles, Calif., while the U. T. A. School of Printing in Indianapolis is the oldest and considered the most complete with reference to both equipment and organization. *Industrial Education Magazine*, April, 1924, p. xxii.

Some Problems of Factory Inspection

A statement of the object of inspection and its development in various countries. Increasing specialization in modern industrial processes calls for greater and more varied technical knowledge on the part of the inspectors. In some countries the close connection between accident prevention and accident insurance is recognized. An insurance institution can influence employers by raising or lowering the insurance premium. The position of the inspectors has been profoundly influenced by the advance in organization of the workers. Works Councils have been expressly authorized to establish relations with the inspector, and call his attention to defective equipment or dangerous processes in the factory. *International Labour Review*, March, 1924, p. 372: 14.

Giving Women Special Training

"Until recently," says a well-known executive, "it has always been our plan to train new employees in the section in which they were going to work and on the machine which they would be expected to operate. The various shop departments have instructors who are picked from the best workmen to demonstrate the machines and their operation.

"We have now inaugurated two training courses. Departments have been especially equipped for teaching women. One of these departments instructs women in the operation of machine tools, such as lathes, drill presses, screw machines, grinders and milling machines. This department also gives special training to women who are to do bench work and fitting.

"The second department is for training women employees in electrical work, such as winding, taping, soldering, connecting and insulation. These schools, or training sections, are primarily for beginners, and we obtain women for these training sections from our centralized employment department. When any department wants a new employee, instead of obtaining her from the employment department, application is made to the training section.

"The chief instructor of this training section, a high-grade man, is assisted by a woman. Both of these instructors are obtained from among our best employees. The length of the training period runs from two or three days up to three or four weeks, depending upon the difficulty of the position and the adaptability of the woman being trained.

"Up to the present time we have done nothing about a special training department for men. We believe preliminary training is desirable for both men and women, and that if equipment and space are available, special training departments should be established wherever the nature of the work will permit it." By E. L. Igoe. *Factory*, April, 1924.

Business Truths

The Purity Confectionery Company of Boston is co-operating with the American Education Association of Philadelphia to extend to its employees fundamental business truths. In this way the company expects to secure additional interest in helping the management to solve its problems. *Industry*, April 5, 1924.

Packing House Continuation School

One of the packing companies in Chicago has a school for the boys and girls between the ages of 14 and 18 years. All office employees whose ages fall between these limits are required to spend eight hours a week in school.

Text-books in these classes are practically done away with. Definite, concrete lessons on office and business, form the basis of most of the instruction. The school is in charge of two men detailed by

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the Chicago Board of Education; both transferred from public-school teaching. The company furnishes rooms, equipment, supplies, and pays the pupils for the time spent in the classroom.

Definite instruction in packing-house problems and methods is given by means of talks, by department heads and other executives, supplemented by trips to the part of the plant being considered. These talks and trips are followed up later by oral and written composition exercises and arithmetic problems based on the work of the particular department studied.

About half of the full time for each pupil is spent on English. Spelling is taught formally—lists of words characteristic of the packing industry are given out for oral or written spelling definitions. Commercial geography, civics, and hygiene are taught, and the business letter is studied in detail.

The problem of discipline is almost nonexistent. The pupils realize that the company will not keep on the pay-roll one who does not keep up to the mark in every detail of his school work.

A large number of the pupils have been in school regularly for two years and are still vitally interested in the work. By R. D. Harwood. *Factory*, April, 1924.

What Are the Requirements Necessary to Successfully Train a Man for a Job?

Continuous instruction and assistance by a competent instructor produces properly trained workers, provided the apprentices are interested in and fitted for their work. An instructor should know how to teach: an expert workman is not always a good instructor. The maximum of training can be secured in the minimum amount of time if there are few students per instructor; a definite training program of jobs laid out in a proper instructional order; a sim-

ple but comprehensive set of records; provisions for promptly moving each learner forward to a new and more difficult job as rapidly as he is capable of learning. Provision should be made for the placement of those trained, and a follow-up of men placed, to see if the training given functions efficiently on the job. By Ronald W. Kent. *Vocational Education Magazine*, April, 1924, p. 669: 3½.

How Industrial Schooling Trains Hawthorne Employees for Advancement

Five different trades are included in the group of the Western Electric Company at Hawthorne; there is a staff of fifteen instructors. The training consists of practical work in the trade, parallel with class-room training in mathematics, drawing and theory. The tool-making and designing apprentice receives most of his practical training in a fully equipped tool-shop. Many who have graduated from these courses are to-day occupying positions of executive responsibility in the company. By J. J. Garvey and A. E. Holstedt. *Western Electric*, April, 1924, p. 15: 3.

West Street's Amazing Library

The Engineering Department of the Western Electric Company maintains a library covering many activities. About 300 magazines are taken and indexed. The choice of subjects is very wide; the usual rule is for the seeker for information to furnish the subject and the library provides the material, be it on induction coils or an after-dinner speech. Much of the material unearthed is in foreign languages and the library includes among its activities the task of turning technical French and German and other languages into English. By Miss G. L. Prouty. *Western Electric*, April, 1924, p. 20: 1½.

658.45 Benefit Systems and Incentives: Group Insurance, Pensions. Profit Sharing.

The Encouragement of Thrift

For over forty years opportunities for saving have been given to employees of

Hazell, Watson & Viney, Limited, a well-known firm of printers in Great Britain. The schemes described for the benefit of

the employees are: Shares held by the employees, at par value; Savings Bank Deposits; Provident Fund; Staff Pension Fund; Thrift Fund; National Savings Association. *Industrial Welfare*, March, 1924, p. 71: 3.

Maintaining a Profit With Reduced Prices

Heinz and Munschauer increased production fifty per cent, adopting a simple method of controlling production, and installing wage incentives in two departments; facilitating the flow of work and preventing delays by buying a few additional trucks, establishing reservoirs of materials in process between operations and strengthening control of raw material stocks. By E. A. Munschauer, *Management and Administration*, April, 1924, p. 401: 4.

Employees to Manage Furniture Business

The furniture manufacturing business conducted at Minneapolis, Minnesota, under the name of McLeod & Smith, Inc., has been turned over to employees. The new officers of the company are recruited mostly from the sales staff. *Printers' Ink*, April 3, 1924.

Unemployment Insurance in the Men's Clothing Industry of Chicago

It is expected that unemployment insurance is destined to make rapid advances in this country, and that for some time at least, it will take the form of establishment funds in non-union plants and benefit systems like those which have been set up in the Cleveland and Chicago unionized clothing industries. The spread of insurance by unions alone can not be expected, for the burden of financing it is too heavy to be borne entirely by the workers. It is felt that employers should contribute a part, if not all, the funds needed.

The system should make for better morale, better discipline, and a somewhat

reduced turnover of labor. Assuming that the employer's contribution to the insurance fund is a net addition to his total payments for labor, the outlay should prove to be a good investment for the manufacturer. By H. A. Mills. *University Journal of Business*, March, 1924, p. 157: 12.

How to Stimulate Invention by Employees

The experiences of five companies in stimulating invention by the workmen; namely, the International Harvester Company, the Standard Oil Company, the Postal Telegraph Company, the National Cash Register Company and the Eastman Kodak Company, are thus summed up in the following nine methods:

1. Cash purchase of the invention;
 2. A cash bonus as a reward;
 3. A bonus in stock in the company, given outright;
 4. The company takes out the patent and gives it to the employee, in return for a license;
 5. A bonus in stock, given periodically;
 6. The company stands behind the employee in his dealings with other companies;
 7. Basing the award on a percentage on savings;
 8. Giving an increase in salary;
 9. Using it as a basis for promotion.
- By H. A. Toulmin, Jr. *Factory*, April, 1924, p. 490: 4.

Stockholding by Employees

Employees of the Pennsylvania Company voluntarily organized the Employees' Provident and Loan Association to cultivate thrift and savings and to become owners of the company's stock.

Through this channel, they have now acquired 19,666 shares and this is in addition to holdings acquired through other sources.

The most popular form of purchase seems to be in the blocks of two shares at a time, 1,433 employees buying in this way. There are 992 purchasers of one share, 549 purchasers of five share lots, 350 purchasers of ten share lots, and four-

teen purchasers who have bought one hundred shares or over. *Trade & Transportation Bureau*, April 5, 1924.

A Paying-Off Plan You Can Use With Profit

The Eastman Kodak Company describes its paying-off plans which contain ideas that can be applied profitably to all concerns. Its methods of departmental time-keeping are also described. The whole operation of paying off the entire plant consumes only two or three minutes beyond the usual closing time. By P. F. O'Shea. *Factory*, April, 1924, p. 488: 2.

Group Life Insurance

Group life insurance appears to be growing in favor every day. The entrance of the Southern Pacific Company into this field had the effect of doubling the number of individual railroad employees enjoying the benefits of this insurance. It seems reasonable to expect that many more roads will follow the lead. Five large roads have had insurance schemes in operation for many years: the Grand Trunk, the Baltimore & Ohio, the Pennsylvania, the Chicago, Burlington & Quincy and the Reading. This newer development, however, has important elements of difference, as compared with any of those five organizations, notably its simplicity; and we may fairly say that, in the language of the patent office, the insurance companies have given to the world a new and valuable combination or improvement in the machinery by which a large corporation can take a definite step toward humanizing its relations to its employees. *Railway Age*, April 5, 1924.

Profit-Sharing Plan in Auto Industry

Employees of the firm of William F. V. Neumann & Sons of Detroit, dealers in Peerless and Willys-Overland cars, are encouraged to remain with the company and to work for its interests by a profit-sharing plan that has been in use for twelve years.

Fifteen per cent of the net profits, after deduction of taxes, are shared with all employees who have been with the organization for a year or more. Each one receives an amount depending both upon his length of service and his regular salary.

As the bonus is on the amount of salary drawn since an employee entered the organization it is clear that a low-salaried janitor—with a long term of service behind him—might receive a larger bonus than a high-salaried sales manager with only a year or two in the organization to his credit. Two years ago, declares Mr. Neumann, the janitor drew a bonus of nearly \$600.

Executives of the company issue bulletins to the employees from time to time to remind them of the fact that it is to their own interest to speed up sales and service and to cut down waste. *Leighton's Magazine*, April, 1924.

Railroad Shares for Employees

The Rock Island is the latest great transportation system to offer its stock to its employees on a basis that will permit them to buy. The plan has worked so well in many other industries that the Rock Island system believes its adoption is warranted by experience. Employee participation in the ownership of the railroads is a good thing for the corporations, for the workers and for the general public. It will have a tendency to steady railroad operation and prevent radical and unjust assaults upon them by those who seek selfish, personal ends.—*Illinois State Journal*. *Leighton's Magazine*, April, 1924.

Co-operation Between Employers and Employees

In a certain large weaving mill a plan was put into operation which resulted in increasing the effective wages of the workers, as well as the profits of the company by 10 per cent. When the cost of production in any department during a certain predetermined period falls below normal, the difference is credited to general savings account, which is divided up at

the end of that period on a 50-50 basis between management and all workers in all departments, and paid to them in separate envelopes. The entire labor savings for the whole plant are combined for all the employees in all the departments. From these joint savings all employees draw shares proportionate to their wages. *Industry*, April, 1924.

Compensating Employees for Length of Service

A report by the Detroit Research Committee. About 100 firms were requested to outline their experience in dealing with this question. Excerpts from the plans received are given. *Society of Industrial Engineers Bulletin*, March, 1924.

Industrial Relations at the Eastman Kodak Co.

An Industrial Relations Department was established at the Eastman Kodak Company early in 1919, for the purpose of giving specific and intensive study to the problems underlying human relations in industry. Among the activities considered in this review are vocational guidance, psychological tests, training courses, medical service, nutrition work, dental work, sick benefit plan, and housing service. *Industrial Relations*, April 12, 1924.

Bank Employees Buy Stock

Further to our item on p. 18 of the March AMERICAN MANAGEMENT REVIEW, which was quoted from the *N. Y. Times* of February 26, 1924, A. H. Giannini, President of the East River National Bank, writes as follows:

"There has apparently been some misunderstanding. We do not wish to have the impression go forth that all the stock of the bank is to be sold to the employees,

and that the management is to be transferred to them.

"The plan that we have has been in practice for some years, wherein each employee is permitted to buy on the average of one to five shares of our stock to be paid for on easy instalment plans."—The Editor.

Methods of Wage Payment: A Critical Evaluation

A series of articles discussing the fundamental types of wage systems, with a few of the more important variations and summarizing the strong and weak points of each. In this issue is treated payment in direct proportion to production, which in its simplest form is the well-known piece-work system. *Harvard Business Review*, April, 1924, p. 355: 7.

Employee Funds and Economics

Old-age pensions and other savings involve investments of various kinds. The efforts in interesting employees in industrial economics are seldom successful because they fail to connect with his familiar interests. One large corporation is considering getting up a series of business and efficiency talks for the plant, based on illustrations drawn from the course of familiar plant experiences. *Industrial Relations, Bloomfield's Labor Digest*, April 12, 1924.

Steadying the Workers' Income—Establishment Unemployment Insurance Plans

The first of two articles showing the systematic plans now operating in the United States whose purpose is insurance against unemployment. Deals with establishment plans, financed with one exception by the employer alone. By Margaret Gadsby. *Monthly Labor Review*, April, 1924, p. 850: 23.

658.51 Planning: Job Analysis, Routing, Standardization

Why We Pioneered in Simplification

The International Development Company found that it paid to fly in the face of

precedent in the matter of simplification in the skate manufacture market. Instead of twenty styles they now manufacture

three. Among the advantages in production are less initial cost for molds, and steady production throughout the year. independent of actual orders on hand.

Less stock on hand is required and lower prices are possible because of savings in making and selling. By Stanley E. Collinson. *System*, April, 1924, p. 481: 3.

658.54 Rate Setting: *Operation Study, Time Study, Motion Study.*

Time Study and Standardization

Time study is an instrument for use in establishing, recording and maintaining efficient standard practice. The intimacy of the small factory facilitates it. The benefits reaped by the small factory through a proper recognition and utilization of the standardization principle are identical with those experienced in a medium or a large organization. By Geoffrey C. Brown. *Management and Administration*, April, 1924, p. 431: 6.

658.57 Research and Experiment

Do We Harp Too Much on the Business Cycle?

A discussion by eight business men and economists, representing The Cleveland Trust Company, The Capper Publications, University of Michigan, Prentice-Hall, Incorporated; Chicago Paper Company, Western Electric Company, The Autocar Company, Guaranty Trust Company of New York. The net of the situation seems to be that a decrease in the violence of business fluctuations may be anticipated, based upon a better understanding of the factors which underlie business, and an increased emphasis upon research and study. Under a properly conducted and adequate banking system, such as we now have, panics should be impossible. If this conclusion is sound, the value of studying the business cycle cannot be overestimated. *System*, April, 1924, p. 464: 4.

Pre-Analysis vs. Post-Mortems

The humility of the new breed of business men is as great a revolution in industry as the coming of electricity. The shift is away from the all-knowing business genius and czar, to the democracy of fact, although it was a long educa-

tional struggle to induce business men to realize that information was as necessary a material in their operations as wood or steel or machines. But now more industries are hitting on all four, men, money, information and policies, than ever before. By Roger F. Davidson. *Advertising Fortnightly*, April, 1924, p. 21: 2.

We Avoided Expensive Mistakes by Borrowing Ideas

To the manufacturer of a new product profiting by the mistakes of others is a necessity. Successful production management does not depend entirely upon familiarity with the usual workings of a business, but comes through co-operation and watching for every opportunity to make use of experiences in other types of manufacturing.

What we all need is an understanding of the underlying principles of manufacturing efficiency, plus enough imagination to see that what has been successful in one line of business may be adapted to become helpful in another line. We must learn how to put new ideas into effect. By John MacGregor. *Factory*, April, 1924, p. 477: 4.

658.6 Buying, Receiving, Storing

The Francs, The Liras, The Marks

France does not offer any particular market for American products. It is a place to buy in—not to sell in. There is a vast potential market for all kinds of labor-saving office and accounting machinery. Very few offices use the typewriter and the old-time French bookkeeper is still supreme. There seems to be an uncommonly large amount of ill-will existing between the employers and the employed.

No country on the continent offers better possibilities for American participation than does Italy. One of the greatest electrical developments in the world is going to take place there. By Samuel Crowther. *American Industries*, April, 1924, p. 34: 3.

The British Retailer's Point of View

Britishers are quite ready to accept and buy products from the "States" so long as it is not aggressively starred and striped and is not held up to them as all the better by reason of its origin. It is getting over the stage of being a novelty that is the great difficulty in British Marketing. Three elements have to be injected into any British Marketing campaign.

1. A strong personal inducement to the retailer.
2. A definite inducement to the housewife in the form of a coupon scheme; bonus prize competition, or any of the thousand variants on the general idea of "giving her something extra."

3. A definite local tie-up "of press and bill board advertising."

The men who are to talk directly to the trade must be British and know the necessities of what is done and what isn't. By Max Rittenberg. *Sales Management*, April, 1924, p. 891: 2.

Buying Motives for Industrial Goods

The method of arriving at the classification of buying motives and patronage motives for industrial goods presented in this article was to examine a substantial number of advertisements in current business publications. All the buying motives for industrial goods were found to be rational motives, likewise the patronage motives. This is logical because an industrial firm makes its purchases for business reasons, not for the personal gratification of individuals. By Melvin T. Copeland. *Harvard Business Review*, April, 1924, p. 303: 15.

658.8 SALES MANAGEMENT

658.81 Organization of Department: *Employment, Analysis, Salaries*

Four Policies That Widened Sales Boundaries

When the management of the Minneapolis Bedding Company—the parent firm of the Way Sagless Spring Company—decided to reach out for the national market, they found several obstacles in the way. How the merchandising plan was worked out to overcome these difficulties is described by the vice-president. Their four selling policies are: One price to every retailer, which is plainly indicated on each spring; the product is guaranteed; national advertising-dealer helps; the merchant who does the best business in each town is selected and the product is made exclusive with him in that town, except in the largest cities.

And the company has grown from a one-man shop to a national organization with branches covering all the United

States. By J. M. Anderson. *System*, April, 1924, p. 461: 4.

Pricing Policy Applied to Financial Control

The supply of capital, whether from retention of earnings or from sale of securities, is dependent upon the promise of a satisfactory rate of return, which in turn is determined by the profit margin in relationship to capital turnover. This relationship is symbolized by the base price. A deviation in prevailing price from the base price equivalent may afford a practical demonstration that a previously assumed economic return attainable is erroneous, and thus lead to a limitation upon the supply of capital for expansion. This method of price analysis, therefore, supplies the basis of a pricing policy which is the embodiment of a financial policy,

and is, moreover, uniformly applicable. By Donaldson Brown. *Management and Administration*, April, 1924, p. 417: 6.

Keeping the Way Open to the Manager's Desk

The general manager of the Fair, a large Chicago store, finds that the best results are obtained by direct and personal contact with the employees. One might be led to believe from this that the office of the general manager would be kept busy adjusting grievances, but on the contrary the employees make an attempt to solve their problems first with the heads of departments, and call on him only when necessary. The policies which keep labor turnover low are primarily salary, co-operation of executives, and promotion. Once a month a round-table meeting is held with the buyers, and problems pertaining to merchandise and employees are discussed. By D. F. Kelly. *System*, April, 1924, p. 489: 1.

How Penney Invests in Partners

An interview with J. C. Penney. "A young man starts work in one of our stores at an ordinary salary. When he has learned the business he is assigned the management of a store. At about the same time he is given an opportunity to buy a one-third interest in the store he is managing, and to pay for that third interest out of one-third of the store profits. When a store shows a profit, instead of the owners withdrawing it, they put that profit into another store, and so the business keeps on growing and growing." By R. P. Crawford. *Business*, April, 1924, p. 25: 2.

Selling to a Schedule

By analyzing sales and surveying the market, the Alemite Lubricator Company of Iowa organizes its salesmen's work. To sell successfully a salesman must know two things. He must know the product he is selling and he must know his market. The number of motor cars in service in any territory forms the basis of

this company's quota plan. And quota is not considered an altitudinous estimate nor a rough-and-ready guess; it provides a schedule by which the home office and the salesman in the field may work toward a definite and attainable objective. By Lowell R. Butcher, *Business*, April, 1924, p. 29: 2.

From the Shoals of Bankruptcy to Success

Describes how Carl Meyer brought his concern out of a million and a half dollars of debts to be the largest drug firm in the world, that of Meyer Bros. Drug Company of St. Louis. He and his two brothers called together their three thousand creditors and they finally reached this agreement: Each creditor would receive 10 per cent of his money each year for the first three years; then, as the firm began to progress, would get 15 per cent for the next two years. The last two years he would receive 20 per cent. Thus, in seven years, all would be paid in full. The concern went over the top with flying colors and won the fight for its existence. By L. L. Huntington. *Personal Efficiency*, April, 1924, p. 228: 3.

Getting the Whole Organization Behind the Export Order

The management official today has been educated by export executives to a realization of the importance of getting the whole organization behind the export order. Several methods are described which have been employed to sell the importance of the export department to the business as a whole, and specifically to bring about co-operation in the handling of export orders. By Walter F. Wyman. *Printers' Ink Monthly*, April, 1924, p. 32: 3.

The High Cost of Too Much Business

"One of our big troubles is the cost of beating the bushes," said the President of a manufacturing concern, who was facing the problem of the increasing cost of sales and distribution. The increasing difficulty in entering industry without skill forces

the less efficient workers into the trading and distribution lines. The competition cost of switching 10 per cent of sales from one company to another is entirely out of proportion to the volume of business secured. This could be obviated by: more attention to the market and less to competition; analysis of the method of marketing; applying methods of cost analysis which will reflect the varying cost of getting business. By Harry Tipper. *The Nation's Business*, April, 1924, p. 25: 2.

Separation of the Buying and Selling Functions in a Department Store

The present plan of organization in the James Anderson Department Store, located in a large, middle-western city, is presented in detail. A department store is just a number of selling and buying units grouped and co-ordinated under one roof. In order to give proper service more attention must be paid to the customer and to the selling of merchandise; stores now sell service along with the merchandise. *Harvard Business Review*, April, 1924, p. 362: 6.

658.82 Sales Promotion: Letters, House Organs, Advertising

Fighting It Out in Print

The object of advertising is to explain the usefulness of the product, the authority and capacity of the company and the value of the service, because comparisons will be made. The advertising page is not a debating platform intended to establish the superiority of argument, but an opportunity to remind, inform and emphasize the suitability and value of the product, company or service to the user. By Harry Tipper. *Advertising Fortnightly*, April 9, 1924, p. 19: 2.

Trade Advertising to Catch Business That Salesmen Are Missing

Discusses the advertising campaigns of the International Silver Co. A manufacturer can get business by mail that the salesman is missing. The Factory C plan of campaign will work in any dealer drive, and the figures show that the plan pays. By Martin Hastings, Jr. *Printers' Ink Monthly*, April, 1924, p. 27: 2.

"Selling the Company to Prospective Employees"

One of the most interesting newspaper advertising campaigns, in which the recruiting of desirable employees was an object, was that of the Western Electric Company of Chicago. It was not plainly labeled as a help wanted campaign, and was, in fact, good-will publicity, with such

display lines as "How your neighbor's pay-day helps Chicago"; "Bringing home the bacon at Western Electric"; "The biggest athletic club in the world." Educating the worker about his job in this manner, giving him real information about the working conditions, advantages and prospects, is not a matter of a single advertisement. By Calvin Lindley. *Industry Illustrated*, April, 1924, p. 19: 2.

How Sales Arguments Are Presented in the Sales Manual

There are many methods of convincingly portraying the more important sales arguments in sales manuals. The foreword is important—it is the bow that determines the reception. The Gulbrandsen-Dickinson Company uses the conversational style with pictures. The Keystone Steel & Wire Company uses the swinging easy writing style comprising talks before an educational club of department heads and executives. Each is obviously an authoritative statement and each subject is naturally presented with none of the deadening sameness. The Todd Protectograph Company prints a complete canvass. The J. I. Case Company prints a list of 700 questions and answers. The American Slicing Machine Company's manual gives the "Sales Talk of the General Sales Manager" that got 35 orders in 33 days. By E. B. Weiss. *Printers' Ink*, April 10, 1924, p. 120: 5.

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Sales Letters That Cut to the Core

Many letters are too long. They should get to the point. "All you need to do is set down your facts in a straight line and bind them together with a string of common sense reasoning." By Maxwell Droke. *Printer's Ink*, April 10, 1924, p. 41: 4.

How Fleischmann Revives "Morgue" Accounts

From a series of letters five examples are cited as ways of reviving dead accounts. Instead of asking why an order was reduced Fleischmann delivers a selling talk, based on a service feature. When this emergency treatment does not work they send a second letter bearing heavily on the national campaign as a lever to raise falling customers back to their original status. In all the letters the personal element is stressed, but in order not to overstep the mark Fleischmann hews very carefully to the line and does not give too much attention to pleading instead of selling. *Printers' Ink*, April 17, 1924, p. 8: 3.

A Way to Meet the Price Argument Instantly

The Harry Berger Shirt Company of New York has used a return telegram idea with good results to meet the price argument. It makes an effective way of dressing up the old arguments and presenting them in a form which enables the prospect to act upon the facts which have been written to convince him. *Printers' Ink*, April 17, 1924, p. 17: 1.

What Should a Salesman Do Besides Sell?

The salesman who does nothing but sell does not get very far. Some of the duties required by large manufacturers are listed and described in this article: Distribution of dealer helps; demonstrations; window display work; re-sale work; watching dealers' stocks; helping dealers to be better merchants; working with retail sales people; corresponding with trade between

calls; working with jobbers' salesmen; adjusting complaints; distributing advertising; checking up on advertising; checking up trade practices and dealers; market investigations; mailing lists; digging up new prospects; credit information; collections; ambassadorial work; service; instruct junior salesmen; warehouse stock control; delivery and various other duties. By C. B. Larrabee. *Printers' Ink Monthly*, April, 1924, p. 19: 2.

Series of Twelve Interlocking Sales Contests With Working Details

This report outlines a twelve months' sales contest plan and gives illustrations from the Pierce Arrow Automobile Co., National Lamp Works, Askosh Overall Company and several others. Report No. 164, The Dartnell Corporation, pp. 1-23.

George W. Stone's Secret of Selling by Telephone

In less than two years George W. Stone of Cleveland has sold \$6,000,000 in bonds largely by using the long distance telephone. After calling his prospect up he waits for a response to determine his mood, which he can tell at once by his tone and manner. He then makes him an offer point blank and aims to show him a profit for himself in the very first sentence. His advice is not to go into details, but to deal in propositions and conclusions. By Albert Sidney Gregg. *Salesology*, April, 1924, p. 12: 1.

Humanizing the Mail Order—Our Way to 1,400 Per Cent Greater Volume

In addition to being a music publisher, Belwin, Incorporated, is a distributor for hundreds of other American and European publishers. When a customer orders something this house does not have in stock, they do not simply send for the music, and then forget about it until it arrives; they immediately get in touch with the publisher by telephone, mail, or telegraph to find out just how soon he can get it to them. If there is any necessary delay they write to the customer explaining its

cause. When anything goes wrong with this business the reason is always located as soon as possible. By M. Winkler. *System*, April, 1924, p. 478: 2.

Why We Do Not Use the Personal or Humorous Collection Letter

The experiences in handling collections of the A. P. W. Paper Company. They pay their customers the compliment of treating them as business men, and try to write the sort of letters they would expect to get themselves. However patient one is willing to be, if the contract of sale is not lived up to, it is not properly a subject for jokes or personalities. In the long run nothing seems to work so well, and nothing is so economical, as the brief, dignified but courteous letter. By Spencer C. Gunn. *System*, April, 1924, p. 473: 3.

Consumption, Merchandising, and Advertising of Foods

The campaign for increased consumption for the sake of the producer runs the danger of having the opposite effect. It educates the consumer to the fact that a situation exists between supply and demand that he can employ to depress prices. It is hard to believe that such trends in advertising are not abnormal. If the markets are in maladjustment, correction can hardly lie in maladjustment of consump-

tion. These drives are signs of the times rather than measures for correction of economic abnormalities. By Alonzo Englebert Taylor. *Harvard Business Review*, April, 1924, p. 282: 13.

How Salesmen Can Be Taught to Stand a Run of Hard Luck

A good salesman is spurred by adversity instead of being floored by it. One way to cut out later turnover is by having a big turnover at the start. The sales manager who wants his men to thrive on adversity must see to it that his salesmen know what they are going to say in definite sequence and how they are going to say it before they ever stand in the presence of the prospect. By Ralph Crothers. *Printers' Ink*, April 10, 1924, p. 89: 3.

Tests and Check Up Methods Found Practical in the Selection of Salesmen

Emphasizing the high cost of hiring and firing salesmen, this report describes briefly how a number of companies maintain waiting lists, how they recruit salesmen, and how they select from the applicants. The character analyst is vigorously condemned by competent authorities. There is a supplement of "standard forms for use in the selection of salesmen." Special Report No. 156, The Dartnell Corporation, pp. 1-17 with Supplements.

658.86 Salesmen: Selection, Training, Compensation

To Get the Right Man for the Job

In the case of a personal interview, any set questions can well be covered in the application form. Modern sales management believes in the filling out of these forms in the presence of some representative of the sales department in order to get the reactions of the applicant. Today, man-to-man talks, designed to bring out the applicant's strong points, as well as his weak ones, have most fortunately replaced the old stage setting in which the sales manager was the stern judge and the

salesman the presumably guilty defendant. By Walter Wyman. *System*, April, 1924, p. 494: 1.

When You Ask the Salesmen to Pay Back Unearned Drawing Accounts

Drawing accounts or advances against anticipated commission earnings cannot be collected from salesmen in case the commissions earned fail to equal the amount of the advances or drawing accounts unless there is a stipulated agreement which specifies that the advances or drawing ac-

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count is made in the nature of a loan and is to be repaid regardless of whether sufficient commissions are earned. *Sales Management*, April, 1924, p. 789.

Business Fakery

This article estimates the cost of hiring and firing salesmen at \$40,000,000 last year. The first of a series of articles exposing the practices of pseudo character analysts and other schemers who prey on sales managers. By David H. Colcord. *Sales Management*, April, 1924, p. 777: 3.

Charts that Saved a Convention from Talking Itself to Death

A. F. Wakefield, exploitation manager of San Antonio Drug Company, tells how they got away from the stereotyped sales convention talks by using a system of 33 charts which visualized the points they desired to bring before the salesmen. The keynote was close co-operation between the headquarters and salesmen and opportunities for greater volume at no increase in overhead. By this method the sales manager can present facts pictorially and audibly at the same time. By Ruel McDaniel. *Sales Management*, April, 1924, p. 779-2.

Selecting Salesmen: Getting the Right Man the First Time

The Metropolitan Life Insurance Company conducts a laboratory for the study of men. Every agent appointed to the sales force has a card in the files; on this card is punched a number of small, round holes, each placed so as to indicate some special characteristic or condition. He is studied from more than thirty angles. These studies are considered advantageous because from year to year their turnover declines and the average of individual efficiency in selling capacity increases. By George O. Swartz. *Journal of Personnel Research*, April, 1924, p. 457: 2.

658.89 Salesmanship:

The Secret That Made Me a Star Salesman

The experiences of a man who believed in the right mental attitude in selling, and

found real success when he stopped "thinking with his feet." When he could meet his prospects with the nonchalance of a social call there was a total absence of negative vibrations, and when he appreciated what it meant to be free from fear and full of quiet confidence he began to sell in a most satisfactory manner. By Dina Mite. *Salesology*, April, 1924, p. 13: 2.

The Value of the "Open Door" Policy for Purchasing Agents

A salesman courteously treated by the purchasing agent often becomes a good advertiser for your own product. Having an "open door" policy in the purchasing agent's office is not going to solve all business problems, but the opportunities there to build good-will are too valuable an asset to hide behind a "closed door" or bury "in conference." By James A. Worsham. *Printers' Ink*, April 10, 1924, p. 33: 3.

The Disgruntled Customer

This article contains suggestions by the vice-president of the DeLong Hook and Eye Company on methods of turning kicks and complaints into sales. The way in which it is handled determines whether the customer will come back. A greater degree of office education based on actual cases rather than generalities, "Your job and mine is to convert ourselves into teachers who will not only do plenty of teaching within our own organizations but will also co-operate with the teaching profession at large for the purpose of creating higher ideals and greater efficiency among those who aspire to be business helpers. By Charles R. Wiers, *Sales Management*, April, 1924, p. 771: 6.

Why We Side-tracked Precedent in Our Spring Sales Program

The Director of Sales of Earl & Wilson tells how their collar-packed cabinet plan has accomplished:

1. Big sales with a concentrated stock.
2. Keeps only active styles in the cabinet.
3. Bases everything on turnover and not leftover.

4. Supplies a brand new idea to the dealer's salesmen.

The entire plan is based on selling collars easier; that is, making it easier for the customer to buy E. & W. collars and making it easier to stock them. By J. B. Wrigley. *Sales Management*, April, 1924, p. 791: 2.

Why Some Wholesalers Insist on Privilege of Returning Goods

In the West and Southwest, as well as

the South, the making of a sale marks not the close, but in one sense, merely the beginning of a process. There is lacking the willingness to commit oneself unflinchingly to an undertaking. Whatever the purchase may be, the purchaser seems to consider that the article may be returned to the merchant as a matter of course. Up to the present, the differences of West and East have been understood only in rare instances. By H. A. Haring. *Printer's Ink*, April 3, 1924, p. 3: 5.

Survey of Books for Executives

The Industrial Worker, 1840-1860. By Norman Ware, Ph.D. Houghton Mifflin Company, Boston, 1924. 249 pages.

A little understood period of American industrial history—the two decades bounded roughly by the panic of 1837 and the outbreak of the Civil War—has been selected by Professor Ware for a detailed study of labor conditions. The volume is perhaps entitled to be judged as a research report rather than as a book of history, and from that standpoint one is inclined to overlook the author's somewhat scant consideration for causes and effects, and his occasional tendency to let the trees hide the forest. On the whole, the book is well worth careful reading by the student of the American labor movement.

For the beginning of his narrative, Professor Ware selects the time when the country was just recovering from the depression which followed the financial crash of 1837, when prices were rising (the advance to be accentuated a few years later by the discovery of gold in California) and when the factory system in America was just getting under full headway. It was in that and the following decades, according to the author, that the Industrial Revolution which had occurred in England a half-century or more before, had its full

effect in the United States. The book therefore treats of a transition period, with all the maladjustments and incidental hardships with which such a period often is accompanied. It was a period, moreover, of intense intellectual and reform activity. Agrarianism, the ten-hour movement, Fourierism, Associationism, co-operation and a feeble trade unionism were contending for the place of pre-eminence in public regard which finally was taken by the slavery controversy.

It is Professor Ware's well-supported thesis that in the twenty years before 1860 the laborer did not share in the prosperity which an expanding industry produced. With rising prices, the relative exhaustion of cheap land, and the competition of machines and of immigrant workers, the American craftsman was hard put to it to maintain his standard of living. Moreover, the spread of the factory system was robbing the worker of that independence and self-sufficiency which had been his pride in the past. The benefits of the factory system were to be reaped in the future by labor as well as by other classes in the community; but, as the author observes, "a temporary maladjustment lasting over one's working lifetime is sufficiently permanent for the one concerned."

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The decade between 1840 and 1850 was marked by a defensive struggle of the workers against reduced commodity wages and lowered standards of living. Strikes were frequent and usually ineffective. Building trades workers in the cities formed a sort of labor aristocracy with wages at about \$10 a week. Other skilled tradesmen earned perhaps \$4 to \$6. From these, the scale of compensation went downward to common laborers, to female employees in factories, and to needle workers. Possibly as an indication that the lives of the wage-earners were not without compensations, Professor Ware points out that in the case of certain common laborers in Philadelphia, "the whiskey allowance was one and a half pints a day."

Although some classes of mechanics had achieved the ten-hour day in the thirties, and President Van Buren in 1840 set ten hours as the day's work of government employees, by far the greater number of wage earners worked twelve, thirteen or even more hours out of the twenty-four. Intermittent attempts to reduce the working hours characterized much of the period covered by the book.

Potent causes of labor unrest were furnished by overcrowding in the cities, by rising rents, and by the frightful living conditions among many of the poorer classes. These conditions became much worse with the enormous increase of immigration dating from about 1845.

Into the labor and social conditions described by Professor Ware in his earlier chapters, there descended at frequent intervals swarms of reformers, usually "intellectuals" but sometimes drawn from the laborers themselves. The book depicts entertainingly the activities of these doctrinaires, who took turns in attempting to guide the feeble labor movement. The union movement itself is described, although the author gives it credit for but scant achievements. Toward the latter part of the period, between 1850 and 1860, labor unionism became at once less idealistic and more aggressive.

Dr. Ware finds less continuity in the

labor movement, and less relation between the unionism before 1840 and that after 1860, than have most other historians. In the closing paragraph of the book he says:

"Toward the end of the decade (1850-1860) a number of national craft organizations were formed, but few of them survived the Civil War. They belong rather to the beginning of the labor movement of the sixties than to ours. The labor movement of America finished the period 1840-1860 as it had begun—practically in nothingness."

EDWARD S. COWDRICK.

Co-operative Democracy. By James P. Warbasse. The Macmillan Company, New York, 1923. 493 pages.

The book on Co-operative Democracy by James P. Warbasse contains a detailed account of the principles advocated by organizations of consumers which make up the co-operative movement. The ideas of co-operation are not confined to the purchase and distribution of necessities but extend to their production and are carried still further to the elimination of the present forms of political government. A history of co-operation to date is also given and its principles contrasted with those of Socialism and Syndicalism.

For one who has faith in the principle of the present profit basis of industry and the existing forms of government it is a book that should be studied and not just read, for the casual reader would overlook the features that are good and condemn the movement as being visionary and generally undesirable; believing the author to be biased, illogical and inconsistent in his views and statements. But if the book is carefully studied with an open-minded attitude, the reader will find much that is good, many principles with which he will agree, and even though he fails to agree with the plan carried to its ultimate suggested conclusion—that of the "Fading State," he will find an analysis of many of the weaknesses of the present capitalistic system together with suggestions in the idea of *service* which should be helpful in their correction.

On page 10 the author states:

"A co-operative society is a voluntary association in which the people organize democratically to supply their needs through mutual action, in which the motive of production and distribution is service, not profit, and in which it is the aim that the performance of useful labor shall give access to the best rewards. In the Co-operative Movement the ultimate tendency is toward the creation of a new social structure that shall be capable of supplanting both profit-making industry and the compulsory political state by the co-operative organization of society."

Instead of endeavoring to accomplish the ultimate goal immediately, the author emphasizes throughout the book that the objects would only be attained by evolution extending through a long period of time. On page 481 he expresses the thought as follows:

"The abolition or the decadence of profit-making business and of the political state should not be attempted by force or by any coercive method whatsoever; but should be accomplished by virtue of the ability of the Co-operative Movement to serve the people more effectively and efficiently than either or both of these institutions, and as a result of which they should fade and atrophy from lack of function."

So, if the reader keeps that thought in mind he is apt to be more tolerant towards the severe criticisms of industry and government that crop out in numerous places.

In advocating the spread of co-operation, the author states that it must first begin with local organizations of consumers throughout the various parts of the world. These local groups may first purchase food and other necessities, usually direct from the producer for distribution among their members. Funds for this purpose originate from shares subscribed for by its members. The sales prices are based upon prevailing market prices observed by profit-making organizations, but the difference in cost and selling prices is known as surplus savings. These surplus savings are allowed to ac-

cumulate for a certain definite period and then are disposed of by the directors. A portion is reserved for educational purposes and the furthering of various social enterprises while the balance is returned to the membership on the basis of purchases made.

A rather interesting comparison of operation on the profit-making basis with that on a co-operative basis is found on pages 51 and 52:

"In the profit business, a number of people decide to form a corporation on a profit basis to run a store. The shares are, say, \$10 each. Mr. Smith is a man with seven children and little money; he buys one share. Mr. Rich had inherited money from his uncle and has no children; he buys ten shares. The corporation starts its store. Rich has ten votes at the stockholders' meetings to Smith's one, it is not worth while for Smith to attend. During the year Smith buys \$500 worth of goods at the store. Rich has no family and he buys nothing. The concern guarantees 6 per cent on its capital, and it made profits out of which it pays a dividend of 8 per cent to its stockholders. Smith gets 6 per cent and the 8 per cent on his \$10, which is \$1.40. Rich gets the same percentages on his \$100, which is \$14. Smith wanted to reduce the cost of living for the sake of his children so he patronized the store faithfully; his efforts saved him \$1.40. . . . Rich did not buy anything."

"But suppose that these two men had organized a co-operative corporation, how differently would they have fared if the business and the savings had been the same? Smith would have gotten his 6 per cent interest on his \$10, amounting to 60 cents. But he would have gotten 8 per cent additional, not on his \$10, but on his \$500 of patronage, making his returns \$40.60, and Rich would have gotten interest on his \$100 capital, or \$6, and nothing more."

For the additional activities to be undertaken by the Co-operative Movement, reference may be made to the principles explained on page 23, which are stated:

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rendering of service to the members, the society shall aim to expand its business, to unite with other societies, and finally to secure control of raw materials and produce the things which the members need.

"The ultimate aim shall be to supply all of the needs of the members which a social organization can supply, especially to attain to the control of production, to encourage membership, to promote other societies, to create national organizations in every country, and to effect a union of the societies of the world into an international organization having the same common purpose."

The author emphasizes the need of having experts to serve with pay in the management of co-operative enterprises and looks forward to the time when "the scientist, engineer, inventor, teacher, philosopher, poet, and artist will be employed with an abundant wage and guarantees of freedom, to create the things that shall lift mankind to heights yet undreamed." (Page 63.)

Most readers would probably find it hard to accept the theory of the value of human effort when the author prophesies (page 85): "The unit, the dollar, instead of representing twenty-five grains of gold, would represent an hour of human adult work. The workers would be paid in such dollars, and these dollars would be exchangeable currency for goods or service."

Many would also question such a statement (page 85): "Engineers have calculated that with the service-motive substituted for the profit-motive each adult would need to work but two hours a day to produce what the world now consumes."

Many illustrations are given of co-operative organizations as they exist in different countries. The fact that some of these instances show operations contradictory to principles advocated and the intimation that there is a lack of harmony between some societies, as well as the inference that such groups may have leaders dominated by selfish motives in the same manner as that which moves certain managers of profit-making organizations, all strengthen the opinion that if the co-operative movement were carried out to the

world-wide organization the author hopes for, that the final results would have the same deficiencies that now exist in business and in politics. The author does admit this, when he says (page 154):

"Men are not perfect. There is an inherent selfishness. There are in the co-operative societies, and will continue to be, some men and women who seek privilege at the expense of others, who desire power, and who are willing to take the substance of others." However, the author minimizes the prevalence of selfishness among co-operatives (page 152), "because the very nature of the State and of profit-making business makes for these things, whereas the very nature of humanity is to be fair and square. Co-operation is the natural and humane organization of society."

As explained by the author, the Co-operative Movement has developed to the greatest extent in Europe, and has met with little success in the United States. (Page 430.) "A new country with limitless opportunities breeds the spirit of individualism. Profit-making business and the eager quest for the dollar dominates the public mind. Each individual hopes to get more than his neighbor in the competitive struggle. In no country has the urge of individual profit-making become so strong and the opportunities so great."

Many readers will believe that present methods and systems can be purified of the weaknesses that are pointed out and will be encouraged to put forth renewed efforts to eliminate waste in production and distribution of life's necessities as well as to further the general attainment of what are now regarded as luxuries yet which bring so much to the comfort and happiness of the individual. Such people will be encouraged by the many examples of industries where the service motive is exhibited as one of the business factors in the quest for legitimate profits. They would also find that some of the measures sponsored by the Co-operatives are being advocated by society in its present form such as the adoption of methods of arbitration to settle all kinds of differences of opinion, the treatment of criminals as being

mentally deficient and ill, rather than paying the death penalty for being offenders against society; the reduction of seasonal unemployment, and the elimination of accidents in industry.

M. R. Lott, *Personnel Superintendent,
The Sperry Gyroscope Company.*

"Planned Control in Manufacturing."

By William O. Lichtner. Ronald Press Company, New York, 1924. 329 pages.

This is a useful book. It aims to give the basic principles of Planned Control, applicable to every business, and is the outgrowth of the author's twenty years of experience as a consultant in a wide range of activities, including foundries and metal working, leather, rubber, paper, textile and fabricating plants, banks, offices and executive work.

The term Planned Control is used to cover the broad field of modern or scientific management, and is an improvement over the more commonly used name. The functions of Planned Control as set forth are:

1. To bring to a common focus all the factors pertinent to establishing policies and determining operations.
2. In the light of definite past performance to project into the future the established policies and check their effect upon manufacturing, financing and selling.
3. To plan and control operations in accordance with the policies thus established.

The presentation is practical rather than theoretical and consists of discussions of points which experience has shown to be important. "For example, along with the detailed plan for installing and maintaining control methods, there is given a full discussion of the selection and training of a permanent control staff within the organization, to handle installation and maintenance. Together with the forms used in connection with the control methods are given the standing orders issued to the control staff and the classification—with the symbols used—as applied to materials

and to expenses. Detailed treatment is given to the way in which the basic control methods described are related to and affect such matters as purchasing routine, cost accounting, and general company policies. Finally, a full account is given of the actual application of Planned Control to a particular "small plant" employing about 150 workers. The mechanisms and procedures shown throughout the book are, of course, to be taken merely as illustrative of the principles set forth. They are exhibits, against which the reader may check the conditions in his own plant; he may rest assured that the application of these principles will be well worth while."

The book covers, first, the development and advantages of Planned Control, the plan of action in general and in detail, starting its application and selecting the staff, emphasis being placed on the choice and training of a permanent force, and its duties. Then follows a set of recommended forms covering planning, scheduling, wage payment, handling of stores, movement of materials, symbols, purchasing and cost accounting.

Perhaps the most valuable part of the book is the last seven chapters which are devoted to the control of the small plant. So much of the literature in the management field has covered the conditions and problems of the large plant only, that small plant executives are discouraged when they attempt to look up information available for their smaller scale of operations. Nearly a third of this book is given to their particular problem.

Mr. Lichtner's book on Time Study and Job Analysis was a valuable contribution to one of the phases of Planned Control. This book embodies his experience with the other phases. The two elements which make it peculiarly valuable are the applications of the principles of Planned Control to the small plant, and the attention given to the training of a permanent staff to carry on the work within the organization.

JOSEPH W. ROE,
*Professor, Industrial Engineering,
New York University.*